

AT subscription software: Will it take off?

By Janet Hopkins

The expense of some assistive software may limit the selection of products that teachers can provide on restrictive annual budgets. Advanced software can range from \$200 to \$1000 or more. As many of the companies producing Assistive Technology (AT) software are located in the US, the extra burden of currency exchange can put these products out of reach in some education systems.

Companies are working on new methods to make their products more widely available. One creative solution that may result in a win-win outcome for developers and consumers is subscription software sales. A software subscription provides time-limited access to fully functional software at a fraction of the price of a full product purchase. Similar to a magazine subscription, the consumer must pay a monthly or annual renewal fee for continuous access to the product.

Advantages of subscription software

From an educator's perspective, there could be advantages to buying a software subscription over making a full product purchase.

Many school programs rely on annual budgets, which can make it difficult for some special education programs to meet the technology needs of diverse student populations. Subscription pricing would take a smaller bite out of the annual budget than would full product purchasing.

Special education teachers have an ever-changing student clientele with a variety of learning needs. One student may need computer access support for a visual impairment, while another only requires a text reading software program. If the student who is visually impaired plans to attend a new school the following year, the vision support software may no longer be required for this classroom. A software subscription would allow the teacher to opt out when there is no longer a need for this technology support. Subscription software may also be a solution for transient student populations, especially if monthly subscriptions are available. If a student moved, the subscription wouldn't have to be renewed if there were no other students who relied on the program.

Software subscriptions would help teachers to provide the most up-to-date technology in their classrooms. Subscriptions provide automatic product upgrades. Sometimes these upgrades are provided through the Internet so there is no need for the subscriber to install the update. This service is taken care of by the company. Other companies deliver the update on disk to the subscribers who install the upgrade at no additional expense.



My Reading Coach

Software subscriptions would allow teachers to provide more resource selection from year to year. The lower cost of an annual subscription would mean that the teacher had more money left over to purchase other items.

Software subscriptions would allow teachers and districts to compare and evaluate software selections before making a larger purchase decision. An annual subscription would provide an extended trial period for a product. This could lead to better decision making than the usual 30-day product trials available.

Subscription software would give educators the flexibility to discontinue the service if they were unhappy with the program or the quality of technical support. It's easier to walk away from an investment of \$150 for an annual

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subscription than to be stuck with a disappointing \$1500 purchase that isn't providing much benefit.

Staff or district reorganization sometimes results in a new technology focus for a school or program. Subscription software would allow district personnel to implement the latest technology at multiple sites without full product purchase expenses all at once. It would also allow staff not wishing to include technology components to discontinue a previous instructor's subscriptions.

Subscription software purchasing would allow administrators and teachers to strategically deliver technology support where it is needed in a flexible and cost-effective manner.

Well-selected subscription software would lighten the load for teachers, as students would be able to work more independently with appropriate technology support.

An interesting article about the impending shift toward Internet subscription software sales can be reviewed at <www.naplesnews.com/01/08/business/d660667a.htm> ("Uphill Battle for Software Companies Seeking Shift to Subscription Model," Naples Daily News, August 11, 2001.)

Some companies providing subscription sales

Parrot Software

Subscription pricing is available for Parrot's line of over 60 different treatment programs for receptive and expressive communication disorders. Parrot provides Internet subscription service. Schools pay an annual enrollment fee of \$299.40. Individuals may subscribe on a monthly basis for \$24.95.

Parrot Software, P.O. Box 250755, West Bloomfield, MI 48325; Phone: 800-727-7681; Fax: 248-788-3224, International: 248-788-3223; Web site <www.parrotsoftware.com>.

MindPlay

My Reading Coach and READS Although My Reading Coach is not advertised as a subscription product, it does have a time limit of one year or 100 hours (whichever comes first). This is a one-on-one multimedia phonics-based reading program suitable for learners age 7 to adult. The single student

price is \$99. Additional student disks for same computer use are \$89. MindPlay also offers an on-line reading assessment called READS. Parents and schools can use it free for 30 days and then can sign on for use by subscription.

Mindplay, 160 W.Ft.Lowell Rd., Tucson, AZ 85705; Phone: 520-888-1800; Fax: 520-888-7904. Web site <www.mindplay.com>.

Adobe Acrobat This conversion software allows you to capture documents for accessible on-line viewing with Acrobat Reader. A variety of document security options are available. Monthly subscriptions for unlimited pdf conversions are \$9.99. An annual subscription for unlimited pdf conversions is \$99.99.

Adobe Systems, 345 Park Avenue, San Jose, CA 95110-2704; Phone: 800-833-6687, 408-536-6000; FAX: 408-537-6000; Web site <www.createpdf.adobe.com>

ZoomText Upgrade Subscription: Level 1 (\$99) Level 2 (\$149). These annual upgrade and maintenance subscriptions are available to consumers who already own recent versions of ZoomText.

Ai Squared P.O. Box 669 Manchester Center, VT 05255; Phone: 802 362-3612; FAX: 802 362-1670; Web site <www.aisquared.com>.

The industry view on the subscription software trend

How the subscription trend will influence the assistive technology industry over the next few years remains to be seen. Companies will have to keep an eye on their competitors and assess whether subscription sales are likely to have an impact on their market share. While the subscription model is a good fit for some vendors, others may not see a compelling reason to diversify their sales options.

Parrot Software CEO, Frederick F. Weiner, Ph.D., believes there are both corporate and consumer benefits to using the subscription model for distribution of his company's products. "As a speech pathologist, I am sensitive to the needs of patients on fixed incomes. Medicare has a limit on reimbursed rehabilitation services. Most of these patients cannot afford treatment after insurance benefits have lapsed nor do they have the means to purchase computer programs that would benefit them. Our subscription service was a way to provide treatment to

a large proportion of that population that would otherwise be left with nothing. We can do it inexpensively because costs for product packaging, billing, and support are minimal. It is win-win."

The subscription model is a more complicated proposition for other vendors such as Madentec <www.madentec.com>, a company that develops hands-free environmental control units, computer access hardware and companion software. Randy Marsden, president of Madentec, says that he can certainly see advantages to the subscription software model. Madentec has discussed the idea of an annual subscription AT bundle that would help evaluation centers remain up to date. "The "bundle" is necessary since almost every piece of AT software relies on some sort of specialized hardware somewhere along the line," notes Marsden.

Marsden points out other issues that hardware developers must also consider. "From a vendor's standpoint, there are downsides. First of all, the products that are returned after having been used for a year are not really re-saleable. So, you pretty much have to charge the sales price anyway (speaking of hardware here). For software, the model works better, although it creates an administrative burden to keep track of who has what version, when are they due for an update, etc. But those are problems that can be overcome.

Advantages for the AT company? Better in the long run for a company to charge, say, half of the normal price per year for the subscription. In three years, you're ahead."

According to Lori Foster, Director of Literacy Initiatives at MindPlay, and Mark Brunt, MindPlay's Development Manager, more schools are starting to move toward the Application Service Provider (ASP) model. Benefits of this include schools not having to staff in-house technical support. It leads to equity in the schools by allowing schools to make expensive software affordable for a smaller number of students. It can provide full benefit of the software without the cost and time commitments.

Foster and Brunt note that one drawback of subscriptions via ASPs is that it is difficult (and costly) for developers to support and provide the backbone of ASP for such a limited student use (e.g. only 1 or 2 students using software at one site).

An informative article discussing the ASP influence on both vendors and consumers is available at <www.findarticles.com/cf_dls/m0SMG/4_20/65951811/p1/article.jhtml> (“Application First, Delivery Second! (Industry Trend or Event)”, Software Magazine, August, 2000).

Looking ahead

The subscription trend appears to have the potential to influence the AT product selection / rejection process of individual and institutional consumers. Companies that position themselves as subscription enthusiasts or early adopters may gain the leverage they need to move into underserved markets ahead of the pack.

The technology adoption lifecycle model is regarded by the software industry as a tool for classifying consumer attitudes toward technology. According to this model, consumers who lead the way in embracing new technology are categorized as technology innovators or enthusiasts. However, the majority of technology consumers fall into the visionary, pragmatist or conservative adopter categories. Finally, consumers who resist or avoid technology are identified as laggards.

An ironic twist on this technology adoption model could see consumers turning the tables on the software industry. If a company is able to provide more attractive access to its products through subscription pricing, consumers may choose to reward the subscription innovators while their laggard competitors get left behind.

Companies providing or developing subscription products are invited to forward information to the author, Janet Hopkins, at <AT_Consulting@mybc.com>

A list of AT subscription products will be updated whenever new information becomes available. Send an E-mail request to <AT_Consulting@mybc.com> to receive a copy of the list.